

ST 00-0005-GIL 01/13/2000 EXEMPT ORGANIZATIONS

Organizations that make application to the Department and are determined to be exclusively religious, educational, or charitable receive a tax exemption identification number ("E" number). See 86 Ill. Adm. Code 130.2005. (This is a GIL).

January 13, 2000

Dear Xxxxx:

This letter is in response to your letter dated November 28, 1999 that was forwarded by the Department's Exemption Section to our office on December 22, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

ORGANIZATION tax exemption number ##### is to be revoked on the basis that it is not organized or operated for any religious purpose. The sole purpose of ORGANIZATION is to create a permissive environment for criminal activity by breaking promises, threatening violence, and corruption of blood. I have been personally threatened from the pulpit with drive-by death, and am witness to a continuous stream of non-religious activity.

Should you investigate the matter, you shall find at least several other members or past members of the congregation able to corroborate my accusation.

Organizations that make application to the Department and are determined to be exclusively religious, educational, or charitable receive a tax exemption identification number ("E" number). Organizations that have secured tax exemption identification numbers from the Department are exempt from Use Tax when purchasing tangible personal property for use in furtherance of organizational purposes, and retailers do not incur Retailers' Occupation Tax on such sales. See 86 Ill. Adm. Code 130.2005 and 130.2007, enclosed. It is important to note that only sales of tangible personal property invoiced to the organization itself are exempt, and sales to individual members of the organization are taxable.

Organizations that have E numbers may also engage in a limited amount of retail selling without incurring Retailers' Occupation Tax liability. These limited amounts of selling are described in Section 130.2005(a)(2-4). An exempt organization may engage in sales to members, noncompetitive sales, and certain occasional dinners and similar activities (two fundraisers a year) without incurring Retailers' Occupation Tax liability. However, if organizations possessing exemption numbers engage in ongoing selling activities (such as little league concession stands or sales of

items in a thrift shop run by a church), they must also register with the Department as retailers, file returns, and remit tax.

If the Department determines that an entity no longer qualifies as being exclusively religious, educational, or charitable, it will revoke that entity's tax exemption identification number ("E" number). Because of the allegations contained in your letter, we have forwarded a copy of it to the Department's Investigations and Prosecutions Bureau for their inquiry.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Terry D. Charlton  
Associate Counsel

TDC:msk  
Enc.